



City of Hampton

22 Lincoln Street
Hampton, VA 23669
www.hampton.gov

Council Approved Minutes - Final City Council Special Session

Mayor George Wallace
Vice Mayor Linda D. Curtis
Councilmember W.H. "Billy" Hobbs
Councilmember Will Moffett
Councilmember Teresa V. Schmidt
Councilmember Chris Snead
Councilmember Donnie R. Tuck

STAFF: Mary Bunting, City Manager
Vanessa T. Valldejuli, City Attorney
Katherine K. Glass, CMC, Clerk of Council

Wednesday, January 20, 2016

9:30 AM

Community
Development
Conference Room

City Council Retreat

CALL TO ORDER

Mayor Wallace called the meeting to order at 10:08 a.m. The late start was necessitated by several members of Council attending an earlier function at Phillips Elementary School.

Present 7 - Vice Mayor Linda D. Curtis, Councilmember Billy Hobbs, Councilmember Will Moffett, Councilmember Teresa V. Schmidt, Councilmember Chris Snead, Councilmember Donnie R. Tuck, and Mayor George Wallace

GEORGE E. WALLACE PRESIDED

AGENDA

1. [16-0018](#) City Council Strategic Retreat

Attachments: [Davenport Presentation](#)
[Strategic Priorities Presentation](#)
[Strategic Priorities Card](#)

City Manager Mary Bunting noted that Council has previously discussed strategic priorities, initiatives, and tactical action steps. Council has since requested another retreat to discuss those topics in further detail, as well as how to communicate about those priorities with each other and the public.

Ms. Bunting introduced Mr. David Rosen and Mr. Roland Kooch from Davenport & Company, the City's financial advisors, who ensure the City maintains the AA+ rating with credit agencies and help the City strive to achieve the AAA rating. It is difficult for a fully developed city to achieve that rating.

Ms. Bunting shared information about the card distributed to Council, displaying the priorities that have previously been discussed. They can be shared with members of the public.

Ms. Bunting noted that closed session has been reserved for status updates on economic development activities that have not previously been announced, as well as acquisition or disposition of property.

Mr. Rosen provided Council with a presentation on the debt capacity and affordability analysis of the City of Hampton's multi-year Capital Improvement Plan (CIP) for FY2016 to FY2020.

Mr. Rosen noted that the City used to pay cash in advance before moving forward with financing. This approach has been adjusted to a "just in time" financing because this puts the City in a better position with rating agencies. This means that the City will not have to rely on its cash reserves.

Mr. Rosen stated that, to his knowledge, Hampton was the first city in the Commonwealth to have financial policy guidelines, going back to the early 1980's. These have been amended over time, but following these guidelines is part of the reason the City is in good standing.

Mr. Rosen stated that the rating agencies recently visited the City, and had a favorable view, not only of the managerial side, but also with the way the City is moving forward on economic development and amending various policies to be in sync with the changing nature of the economy.

Mr. Rosen explained that debt capacity is a best practices comparison of how much debt the City can borrow while remaining on the same level with its peers. This is not a limiting factor. He noted that the City currently has debt service of approximately \$33.5 million. Debt affordability determines how much new debt the City can afford over a period of time without changing the

debt service of \$33.5 million.

Mayor Wallace asked if the City has increased capacity despite the recent interest rate adjustment from the Federal Reserve. Mr. Rosen noted that the City has assumed an interest rate that is considerably higher than where it is currently, to ensure that there were no surprises with assuming too low of an interest rate as the market adjusts. If the interest rates increase 1.5-2% more than where they are today, there will be no material impact because that has been built into the capacity.

Councilman Tuck asked Mr. Rosen to explain the agency ratings. Mr. Rosen stated that AA1 and AA+ are the same level of rating, just from different companies.

Councilwoman Schmidt asked if the assessed value of real estate included both commercial and residential. Mr. Rosen stated that this included anything that is taxable. Mr. Kooch stated that property owned by entities such as not-for-profits and military that are not taxable are not included. Ms. Bunting stated the Commonwealth allows localities to borrow debt up to 10% of the assessed value of real estate, so the City's policy of not exceeding 3% is very conservative, which improves the City's rating.

Mr. Rosen explained that direct debt is the general obligation debt. Indirect debt includes those that have payments coming from moral obligation. The payments are not coming directly from the City, but it would be asked to pay the debt if there was not sufficient funding from other sources. Ms. Bunting stated that an example of this is the Steam Plant debt. The City does not pay this debt because of the way the agreement with National Aeronautics and Space Administration (NASA) works.

Vice Mayor Curtis asked if the Community Services Board was an indirect debt. Ms. Bunting stated that their debt is not on the City at all.

Mayor Wallace stated that the City sells the steam from the Steam Plant to NASA and takes the revenues from that sale to pay the debt. However, if there was a reason that NASA no longer desired to purchase the steam, the City is still obligated to pay that debt. There is no reason to anticipate such an event.

Councilman Moffett asked if the Community Development Authorities (CDA) factored into indirect debt. Mr. Rosen stated that this is an overlapping debt. Ms. Bunting stated that the City has no legal obligation for that debt, and, in fact, cannot legally pay that debt. The City has tried to make that argument to the rating agencies, but they feel it is something that needs to be monitored because it is being paid by taxpayers within the City. She stated that she believes that this is more of a barometer for rating agencies to ensure that there is not too much CDA activity. Rating agencies understand that the City is not able to step in, is legally protected, and residents will not have to pay that debt. Mr. Rosen stated that there was a time when CDAs were so popular throughout the country, the rating agencies just wanted to make sure there was some level of management put on it.

Mr. Rosen stated that one of the policies he considers the “generational” policy. The payout ratio ties to the amount of principal that is issued, and how much principal debt will be paid off in 10 years. He provided the example of a mortgage. An average mortgage is paid out over 30 years. The average homeowner pays back about 25% of principal in the first 10 years. The City has a much more rapid pay down, which is important because there will always be future capital needs.

Mr. Rosen described three different scenarios Davenport considered to determine possible debt capacity and affordability. The first is the most conservative. The second scenario takes the 1.2% growth from last year and halves it for the next two years. The third scenario assumes modest growth.

Mr. Rosen noted that the City’s real debt capacity is much higher than described because legally, the City can go to 10% of the overall assessed value of the City. In reality, that is not prudent because of additional funding necessary for debt service.

Mr. Rosen stated that the City spends approximately \$15 million to \$20 million on average on general needs, so with the additional \$55 million debt affordability from FY2019 to FY 2021, the City could double its general needs for a few years. However, the City needs to remain cautionary. Ms. Bunting stated that the City already has some planned bond issuance in those years, but this funding is over and above what is already planned. Mr. Rosen stated

that the City has operated within its boundaries and policies, so it is in a comfortable position to do additional things.

Mr. Rosen urged prudence and caution because the market can turn around very quickly. His company looks at the information on a yearly basis and can see as things improve or need adjusting.

Councilwoman Snead noted that scenario one did not mean that the City would not have any growth in the budget, just that it is going to keep applying the same debt service amount. Mr. Rosen confirmed this statement and stated that the City could have a high rate of growth.

Mayor Wallace stated that the bond rating agencies consider the environment that the City exists in. Hampton Roads and the Commonwealth are heavily reliant on Federal expenditures. Sequestration cannot be controlled by the City, but it affects the City's rating. Mr. Rosen confirmed that Virginia is the #1 state in the country that has a partnership with Federal funding in such a way. He was not sure if this was percentage or total funding amount.

Ms. Bunting noted that if Fort Monroe transfers to the private sector, this provides a unique situation to Hampton, which is nearly fully developed. This is akin to annexation, because it is land that was formally untaxable and is now becoming taxable. The City does not expect nor supports the property becoming 100% private use. However, there are some areas that the City does support private activity on, but this cannot be projected in the numbers. Very few cities in Hampton's position have an ability to grow their base numbers.

When discussing the potential refunding opportunity, Mr. Rosen noted that Council may ask why the City cannot refinance the Motorola lease at the same time as borrowing the planned \$15.5 million for FY2017. He stated that this is a different type of credit. The lease is effectively a moral obligation, while the other funding is a general obligation bond. It is not possible to combine those two types of credit.

Councilman Tuck noted that this lease existed last year and asked what was different this year. Mr. Rosen stated that rates have come down even more

since last year, so the City is in a much better position now than it was a year ago, even with the Federal Reserve raising rates. Councilman Tuck asked why the City did not refinance last year, even if the rates were not as good as they are now. Mr. Rosen stated that it did not make sense at the time, because it did not get the City to a “critical mass” of savings. The City has an unofficial goal of achieving 4% of present value savings. That was not met last year. Davenport is constantly monitoring rates for refunding. Ms. Bunting noted that target thresholds are there because there are some expenses to refinancing. If there is not a valid amount of savings, the City is not getting anything out of refinancing. Mr. Rosen noted that the savings listed include the expenses. He noted that the bidders may not offer the anticipated interest rate reduction.

Ms. Bunting stated that if Council chooses to move forward with the refunding opportunity, City Attorney Vanessa Valldejuli has indicated a resolution is not necessary. A formal vote is not necessary either, but staff does not want to move forward with soliciting banks without Council knowledge.

Mr. Rosen described Davenport’s proposed financing strategies and calendar for the 2016 bonds. He noted that with the Motorola lease, the City will not have to talk to the rating agencies, because that debt has already been added to the debt of the City. The City will have to talk to the rating agencies about the proposed \$15.5 million that it will be borrowing this fiscal year because it is new debt. Years ago, rating agencies did not scrutinize local governments and their direct debts, but now it is at the top of their “worry list.”

Councilman Tuck asked why Davenport would propose the City request a direct bank financing for the \$15.5 million if that is not something banks are generally willing to do. Mr. Rosen stated that they are bringing this to Council as a possibility. Banks change by the quarter because they are generally public entities. One bank that might be favorable one quarter could become the least favorable bank to use. Some banks are more favorable to local governments, and will agree to direct bank financing for one locality when it would not for another. Even if the banks agree to the proposal, Davenport will still compare it to public markets to determine if the rate is in the City’s favor. This has just come up as a possibility and they did not want to spring it

on Council at the last minute.

Ms. Bunting reiterated that the CIP is a plan, not an obligation, because there is sometimes a need to shift to fit current needs. There are several items on the strategic priority list that need money. The capacity presented by Davenport can be considered for those strategic priorities, because there is an ability to take on a few of those efforts without putting stress on the budget through debt service. Council would need to identify the best use of that money through policy guidance.

Ms. Bunting stated that the rest of the meeting is for Council to discuss how Council works as a body through some of these strategic priorities. She understands that Council wanted to discuss communication on the strategic priorities, both internally and externally, especially those items that must remain confidential; how strategic priorities are reported, both internally and externally; and prioritization of strategic priorities, how often it is done and when. She read through the priorities listed on the card provided to Council, noting that they are not in priority order.

Councilwoman Schmidt asked if the CIP public outreach that is currently happening would affect Council decisions. Ms. Bunting stated that the projects had been grouped together under the strategic priorities. The various projects offered to citizens to consider had either been brought forth to the City by citizens or developed internally through staff, and they all fit within the categories determined by Council. Part of the outreach did ask for additional citizen suggestions, and it is possible that something will emerge from that process that will need to be considered by Council. This is why revisiting and reprioritization is important.

Ms. Bunting noted that there was a weak turnout for the in-person meeting. She believes people have learned over the years that there is online outreach, which is easier to do for most citizens, and that upon completion of the online polling, Council will have a representative and robust sample.

Councilman Moffett suggested starting a "parking lot" associated with prioritization, so that as new things emerge, they can be stored there. He noted that a significant project that has been undertaken is the City Manager's initiative of converting the Teen Center into the Performing Arts

Center. This has attracted regional attention, and there is a proposal to potentially host a Governor's School with the youth performing arts. The facility has substandard lighting and audio systems, and will require an update. He believes that Hampton can be the epicenter for youth performing arts for the entire region.

Councilman Moffett stated that the current Youth Violence Prevention program is doing a great job with the funds that were initially allocated from the cigarette sting money; however, in order to achieve some of the goals of reducing youth violence and cutting homicides in half by 2020, the City will need to strategically invest significantly more money. He noted that Newport News has invested approximately \$1.1 million. Youth summer employment, a major component of the Youth Violence Prevention program, should be increased.

Councilman Moffett stated that it is strategically important that as the City talks about recruiting and retaining good employees, the City provides quality training. When the City went through economic difficulties with the downturn of the economy, one of the things that was cut was Human Resources training, especially quality training for first-time supervisors. Trainer positions need to be fully funded so the City can continue to have world-class employees.

Mayor Wallace stated that he would like to discuss the elderly tax relief program.

Mayor Wallace noted that he had been in discussions with members of the School Board and one of the issues that surfaces each year is retaining the best teachers. He would like to explore some type of compensatory augmentation for those teachers that are identified as being the best.

Ms. Bunting noted that Council had decided to discuss the elderly tax relief program during the budget process. That discussion is planned for February, when the Assessor of Real Estate and the Commissioner of Revenue will be present. She asked if the discussion would still be geared towards continuing to grandfather those who were in the original exemption program, or if was to be a broader discussion. Two years ago, Council determined that new applicants could only apply for a freeze or deferral of their taxes, but those

who were already exempt remained in exemption for two years while the City did outreach. She stated that revisiting the policy on new applicants would take a different approach. Mayor Wallace stated that he is interested in continuing to grandfather those in exemption.

Councilwoman Snead stated that she has a proposal to bring forth for new applicants to the elderly tax relief program. She would like the program to be similar to what the City does with people who own farmland; the City holds their liability for five years. She stated that Council has been basing the decision to continue grandfathering exemptions based on people's personal circumstances. There are people who are applying for deferment who have just as many personal circumstances that would then come before Council asking for consideration. She believes there needs to be a limit. Ms. Bunting asked if her idea was to have a deferral program, but the maximum amount of payback would be limited to a timeframe, such as five years. Councilwoman Snead confirmed this is what she meant. Ms. Bunting stated that she will have the City Attorney and the Commissioner of Revenue look into what the City can and cannot do with the program and develop a proposed structure.

Councilwoman Schmidt stated that she would like to look into what citizens in the program are allowed to have in terms of equity. She believes it is currently \$250,000, and she does not consider someone in need if they have that much money in the bank. She also noted that some people use their home as the payment towards a nursing home, so it is more than just an inheritance issue. Ms. Bunting asked if she was asking for reconsideration of the assets qualification beyond the home, which is always exempted, and perhaps lower it to meet those most in need. Councilwoman Schmidt confirmed that is what she meant. Ms. Bunting stated that some of those requirements are statutory and some are local discretion, so staff will do that research before February.

Councilman Tuck noted that he has heard from a citizen that with a Social Security increase, it can put someone outside the qualifications of the program, even if the increase does not impact their income very much. Ms. Bunting suggested considering looking at the threshold annually based on the annual cost of living increases or the Social Security index. Councilman Tuck agreed that this is what he desired.

Ms. Bunting stated that for the teacher incentives, Council would need to meet with the School Board to understand how such a program could be structured. She asked if Mayor Wallace meant the compensation would be applied to those teachers who have reached some criteria developed by Hampton City Schools (HCS), and not across the board to all teachers. Mayor Wallace stated that he would like to look at both exemplary teachers and all teachers.

Councilman Moffett asked if that proposal should come directly from HCS. Mayor Wallace stated that with the partner program between Council and the School Board, there is an open dialogue between the two bodies. From that dialogue, there have been some ideas brought forth. Councilman Tuck noted that the last joint meeting with the School Board was in February 2013. He understands that the partner system works, but believes that everyone should have access to the same request that is being made. He is not sure if a joint meeting could be put in place before budget deliberations, but he would be more comfortable hearing the proposal from the School Board or the Superintendent.

Ms. Bunting stated that Council will have a meeting with the School Board during February or March as it usually does. She has not received any specific proposals from Dr. Jeffrey Smith, HCS Superintendent, but has done outreach to let him know that HCS and Council need to be on the same page as the City begins the budget process.

Councilman Tuck stated that in February 2013, the 1:1 technology initiative was discussed, which was major. He stated that this current proposal would have to come out of the General Fund, not the Capital Fund. He asked if the City has the capacity for that, what the approximate amount would be, and how this would impact other projects the City is looking at potentially doing. Ms. Bunting stated that the discussion would be better in the budget cycle, as revenue estimates are received from the Finance Director. She could not say how much growth the City will or will not have right now. Today's discussion was focused more on the strategic priorities and the capital budget, although many of the strategic priorities will have operating needs.

Councilwoman Snead stated that she would like to include the Tuskegee Airmen monument in discussions. She believes there is potential there and

this is an opportunity to make something for Hampton.

Councilwoman Snead stated that the project list is overwhelming. There are a lot of major projects on the list, so that is why Council needs to look at prioritization and parameters of the prioritization. While the City has some debt capacity, she believes Council needs to look at things that will grow revenue. Citizens want tax relief and lower taxes, but unless there is something to offset that, it is not possible.

Councilman Hobbs asked if there was a plan of communication to the public and the business community. Ms. Bunting stated that staff has been making efforts, but that does not mean there is not more that could be done. Part of the responsibility is on Council, and speaking in unison with staff and other Councilmembers. Sometimes people receive information differently if it is coming from an elected official instead of City staff. She stated that once the information cards are finalized, they can be handed out to the public, since not everyone will read the eNews or watch Channel 47.

Councilwoman Snead stated that she believes the card is a good start once it is finalized. She stated that she keeps hearing citizens say that Council does not have vision, and it does, but it needs to get it out there so citizens know what it is and what it will take to make Hampton a viable city.

Councilman Moffett stated that when Council originally discussed the Dr. Martin Luther King, Jr. and Hampton Heroes memorial at the Convention Center, there was discussion of potential funding that had been left over from another project at the Convention Center. He asked if the price of that project has changed now that design elements are being discussed. Ms. Bunting stated that there was still money reserved for the project, but it is important to let people know that project is still moving forward.

Councilman Tuck asked about the \$250,000 in funding that was allocated. Councilman Moffett stated that he could not remember what was allocated originally, but wanted to make sure the project was included in discussions in case additional funding was necessary.

Councilman Hobbs asked how long Council had been discussing the memorial. Councilman Moffett stated that he believed it was well over five

years. Assistant City Manager Laura Fitzpatrick stated that 2010 was when the citizen group was started to discuss the memorial. Councilman Tuck stated that it was during the FY2014 budget discussions that the \$250,000 was announced. Councilman Moffett stated that the \$250,000 was proposed for a statue, but Council determined that it was not going to spend that much money on a statue. He is not sure Council ever received an official number for the leftover Convention Center funds. Ms. Bunting stated that she does not believe the City benchmarked a certain amount. The \$250,000 was for a statue and Council at the time asked for that item to be removed. She stated that she believes the project will cost more than \$250,000. The designs submitted by the Hampton University students will need to have estimated costs determined for Council to review.

Ms. Bunting stated that in the Convention Center financing, there was a plan to do a water feature, so there is some money set aside, although she does not know the exact amount. That remaining money has not been spent, knowing that this memorial proposal was coming. If there is a gap between that remaining funding and what is needed, the City will plan accordingly.

Ms. Bunting stated that one of the reasons the project has taken so long is because Council determined it did not want just a statue. A better way to honor Dr. King is to honor the deeds that came after him, so a combination memorial to Dr. King and to local heroes that embodied his principles and his spirit was proposed. The true measure of a man or woman is their lasting legacy. The City chooses to do things through citizen engagement, so things can take longer to come to fruition.

Mayor Wallace stated that there are subsets of each strategic priority, and each one has some cost associated. Once Council defines its priorities, then costs can be associated as well.

Councilwoman Schmidt stated that if she had to put the priorities in order, education affects so many of the other categories, and it is the priority over which Council has the least amount of control. She would like to come up with something to enhance the City's education and support that priority, and she believes the other categories will naturally fall into place.

Councilwoman Snead stated that the issue is the City does not have the

money to do that, so from her perspective, economic growth is very critical. In order to make a difference in the City's educational system, it will require funding. To get that funding, the City will either need to increase property values, increase taxes and fees, or make investments into something that will give the City continuous money through economic growth.

Councilwoman Schmidt stated that she understands that, but she feels the reason the City is not growing economically or in housing is because of the City's education. Mayor Wallace noted that the City is growing in each area, and Councilwoman Schmidt stated that this was true, but not at an aggressive rate. Councilwoman Snead and Councilwoman Schmidt agreed that there needs to be a balance.

Councilman Tuck asked if the focus was supposed to be on capital improvement and how that affects Council's strategic priorities, or on operating and how it affects the strategic priorities. He believes that capital improvement in education is providing money to HCS for physical structures, not giving more money to HCS for programs and teachers. Ms. Bunting stated that if Council has operating budget items they want to consider during budget discussions, they should let staff know today. Today's conversation is predominantly about capital spending.

Ms. Bunting stated that the strategic priorities are an aggressive list, and she is not sure Council can prioritize much more than it already has. It is easy to forget how far Council has come; a year ago, Council did not have six strategic priorities. These are all so interconnected and related, that to elevate one over the other causes angst. Prioritization comes more into play when making capital project decisions, or choosing which projects get funded first. She believes Council will find that it needs to do a little bit of all of the projects, and just determine where it will get the most aggressive.

Ms. Bunting noted that HCS has decided to focus on the academy approach. This could mean that HCS needs new labs, which is not included in basic maintenance and upgrade approach, and would be considered capital spending.

Councilwoman Snead stated that Council needs to get into the details of the projects and figure out what it is going to fund, because it cannot fund

everything. She stated that Council has identified how much percentage of funding it would spend on each strategic priority, but she cannot remember what those numbers were and would like to look at those parameters again.

Councilman Moffett noted that Council had never formally adopted its vision statement, and he would like to do that before adjourning.

Mayor Wallace asked if Council would like to identify two priorities under each strategic priority and then discuss them. Ms. Bunting noted that most of the projects that have serious money attached to them involve acquisition or disposition of property, or a business prospect that cannot be discussed in open session. She provided examples of projects that could be discussed in open session, such as the splash pad, the open data initiative, and summer youth employment.

Councilwoman Snead that she believes the Mayor's suggestion is the best approach to take.

Mayor Wallace asked about formally adopting the vision statement. Vice Mayor Curtis stated that Council had discussed it, but had not formally adopted it.

Councilman Hobbs stated Councilwoman Snead was right, if the City wants to get the money it needs to fund projects, it needs to grow the business base, make businesses flourish, and not rely on real estate taxes. It is not possible to expense your way into a profit, so the City cannot keep making cuts. One of the first questions people ask when considering opening a business in Hampton is what the education system is like.

Ms. Bunting stated that Council and staff need to be their own best cheerleaders. There are always things that can be improved on in any city and school division, but if Council and staff and are not talking about the advantages that it has and what is being done well, no one else will talk about them. She provided several examples of great things happening in HCS, such as the state-of-the-art 3D printers that are available to students, and that the culinary arts program is one of the top rated in the country. She stated that HCS has a bigger challenge than other divisions, because Hampton has a higher percentage of free and reduced lunch participants,

which has a correlation between it and learning remediation.

Councilwoman Schmidt noted that Councilwoman Snead and she spend time asking people about education because that is what they have been tasked by Council to do. Even if Councilmembers do not currently have a child in HCS, each one should know a child who has succeeded, and it is critical to point out those achievements.

Mayor Wallace noted that part of Hampton's story is that even though HCS has a higher rate of free and reduced lunch participants, it has not proven to be an inhibitor to the accomplishments of the children who are getting accepted to colleges all throughout the country. Councilwoman Schmidt stated that if Councilmembers can integrate that information into the conversations that are being held, even those not related to education, it would be helpful.

Councilwoman Snead noted that her paystub says that the City's vision is to make Hampton the most livable City. She suggested putting "Creating an Even More Dynamic Future" or something related to the newest vision. Ms. Bunting stated that this could not be done until Council adopted the vision statement. She also suggested the tagline "400 Years of Innovation" as this represents the City's heritage and the fact that Hampton is the first in so many things. Councilwoman Snead said that as an employee, "Creating an Even More Dynamic Future" feels like she is contributing to something. There was some discussion on the wording of the vision, and Ms. Bunting stated staff will consult with professionals on the proper grammar.

Presented by Mr. David Rosen and Mr. Roland Kooch of Davenport & Company, with additional information provided by Mr. Brian DeProfio, Budget and Strategic Initiatives Director, and City Manager Mary Bunting.

A motion was made by Vice Mayor Curtis, seconded by Councilmember Snead to authorize Davenport & Company to proceed with exploring refinancing opportunities. The motion carried by the following vote:

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs, Councilmember Moffett, Councilmember Schmidt, Councilmember Snead, Councilmember Tuck and Mayor Wallace

A motion was made by Councilmember Moffett, seconded by Vice Mayor Curtis to adopt the Council's vision statement as: "We are Hampton, a vibrant waterfront community celebrating and embracing 400 years of history and innovation to create an even more dynamic future." The motion carried by the following vote:

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs, Councilmember Moffett, Councilmember Schmidt, Councilmember Snead, Councilmember Tuck and Mayor Wallace

2. [16-0002](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.1 and .3 to discuss personnel matters pertaining to councilmembers' and city council appointees' roles and expectations and to discuss the acquisition of real property for a public purpose and/or the disposition of publicly held real property in the master plan areas of Buckroe, Coliseum Central, Downtown Hampton, North King Street Corridor, Phoebus, and the Kecoughtan Corridor where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City Council

Closed session began at 12:16 p.m.

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs, Councilmember Moffett, Councilmember Schmidt, Councilmember Snead, Councilmember Tuck and Mayor Wallace

3. [16-0003](#) Resolution Certifying Closed Session

Following the certification of the closed session, Ms. Bunting summarized where Council is and how it was going to move forward. Open session included discussion of the six strategic priorities. Closed session included

discussion on specific initiatives that involved land acquisition and disposition or business development where an announcement has not been made. Staff will develop a schedule to determine how to prioritize one project over another, with specific details being provided as they are available. Additionally during closed session, Council discussed the evaluation process for Council appointees, which include the City Manager, the City Attorney, and the Clerk of Council, and decided that in addition to the annual evaluation in June, there would be a six-month evaluation on December of every year. The evaluation criteria will be shared with Council as a PDF. Each appointee will also have a debriefing with the full body of Council.

The closed session was certified at 3:47 p.m.

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs, Councilmember Moffett, Councilmember Schmidt, Councilmember Snead, Councilmember Tuck and Mayor Wallace

ADJOURNMENT

The meeting adjourned at 3:49 p.m.

George E. Wallace
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____